

CAC Manitoba: Exhibit CAC# 59
NFAT Review

Document

Harvey Stevens and Wayne Simpson, *Methodology for Estimating Elasticities of Consumption Items*

Methodology for Estimating Elasticities of Consumption Items

Data Set: SHS for the years 2000 to 2009 for Manitoba – all households in the sample

Regression Equation: Expenditure on Each Consumption Item = a + b (Total Consumption) + e

Elasticity = (Average Total Consumption x regression coefficient)/ Average Expenditure on Item)

Results:

Consumption Item	Average Expenditure	Regression Coeff.	Elasticity
Total Consumption	39,643.21	--	--
Electricity	935.56	0.0139	0.59
Food	4,671.41	0.0701	0.54
Shelter – Principal residence	8,164.75	0.154	0.70
Household Operations	2,661.30	0.0554	0.82
Household Equip.& Furnishings	1,620.05	0.0537	1.31
Clothing	2,212.54	0.0651	1.17
Transportation	7,932.20	0.2997	1.50
Health care	1,526.24	0.0254	0.66
Personal Care	898.40	0.0210	0.93
Recreation	3,353.89	0.1132	1.34
Reading	258.46	0.0057	0.87
Education	799.25	0.0772	3.83
Tobacco & Alcohol	1,336.00	0.0297	0.88
Other	886.93	0.0286	1.28